

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7341

BILL NUMBER: HB 1412

NOTE PREPARED: Jan 9, 2004

BILL AMENDED:

SUBJECT: Costs of Incarceration.

FIRST AUTHOR: Rep. Turner

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill requires the Department of Correction to estimate certain costs of incarceration.

Effective Date: July 1, 2004.

Explanation of State Expenditures: The bill would require the Department of Correction (DOC) to develop a methodology for determining the average daily cost of incarcerating offenders in state facilities and in each county jail. The costs would be provided in a semiannual report to each court with jurisdiction over felony and misdemeanor cases.

Under current law, the State Board of Accounts is responsible for estimating the average daily cost of confining people in certain state correctional facilities (to fulfill IC 11-12-2-9). According to DOC, DOC estimates the average daily cost of incarceration and provides this information to the State Board of Accounts for review. New activities for DOC under the bill may include collecting semiannual average daily cost data from the 92 counties and producing reports for courts with jurisdiction over felony and misdemeanor cases. This may require minimal increases in staffing.

The bill also requires that the DOC conduct or contract for an actuarially based study of the projected costs of incarceration including present and anticipated future costs, the effect of credit time, the effect of inmate mortality rates, projected increase in the cost of incarceration, and any other relevant factors. The results of the study would be distributed to the Legislative Council by July 1 of each year. The DOC currently operates a prison population estimating program. Assuming that the information produced by this system is sufficient to make actuarially based studies of project costs of incarceration, fulfilling the reporting requirements under

this section may require additional work for the fiscal section of DOC.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill requires courts to include the total costs of incarceration (the number of days for which a prisoner is sentenced times the average daily cost of incarceration) in the sentencing order. To the extent that this provision could require additional preparation time or form redesign, administrative costs could minimally increase.

The bill also requires county sheriffs to provide DOC with the average daily cost of incarcerating a prisoner in their county jails. Statute requires a sheriff to base per diem fees on average daily cost, but it does not require sheriffs to collect cost information. For the most part, sheriffs do not collect or report average daily cost information. In order to report this information semiannually on January 31 and June 30, sheriffs may incur additional costs for accounting services. The amount of the additional costs will depend on information currently available in the individual county.

Background: According to the Indiana Sheriffs' Association, information on average daily cost was compiled in a voluntary survey conducted several years ago. The purpose of the survey was to show the difference between average daily cost and the per diem reimbursement counties receive from the state for housing a state prisoner. The survey showed great variation among counties with an average cost of about \$44 per day.

Explanation of Local Revenues:

State Agencies Affected: Department of Correction.

Local Agencies Affected: Courts hearing felony and misdemeanor cases, Sheriffs' Offices.

Information Sources: Indiana Sheriffs' Association.

Fiscal Analyst: Karen Firestone, 317-234-2106.